



MONTHLY AG UPDATE – AUGUST 2009

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USDA/NASS NEW MEXICO FIELD OFFICE

Issue 2009 08 31 AG

Available on the Internet: www.nass.usda.gov/nm, or by email (1-800-530-8810 for information)

Agricultural Land Values Highlights

Farm real estate values, a measurement of the value of all land and buildings on farms, averaged \$2,100 per acre on January 1, 2009, down 3.2 percent from 2008. The 3.2 percent decrease from 2008 is the first decline in farm real estate value since 1987. Regional changes in the average value of farm real estate ranged from virtually no change in the Northern and Southern Plains regions to an 11 percent decline in the Mountain region. The highest farm real estate values remained in the Northeast region at \$4,830 per acre. The Mountain region had the lowest farm real estate value, \$922 per acre.

Both cropland and pasture values are also down from the previous year. Cropland values declined by \$110 per acre (3.9 percent) to \$2,650 per acre. In the Cornbelt region, the average cropland value decreased 4.0 percent from the previous year, to \$3,870 per acre. However, in the Northern Plains and Delta regions, cropland values rose 1.6 percent and 0.6 percent, respectively.

INCLUDED IN THIS ISSUE – AUGUST 2009

Report	Release Date
Land Values & Cash Rents	August 04, 2009
August Crop Production	August 12, 2009
Farm Expenditures	August 06, 2009
Weekly Weather & Crop Progress	August 31, 2009
Agricultural Prices Received	August 31, 2009
Quarterly Farm Labor	August 21, 2009

Pasture value declined by \$20 per acre (1.8 percent) from 2008 to \$1,070 per acre. The Mountain region had the largest percentage decrease in pasture value, 16 percent below 2008.

The contraction in the overall economy has caused less commercial and residential development in many regions. Livestock and crop commodity prices have declined from a year earlier, thus producers and investors are less optimistic than a year ago. A decrease in the demand for recreational land has also contributed to the overall decrease in land values.

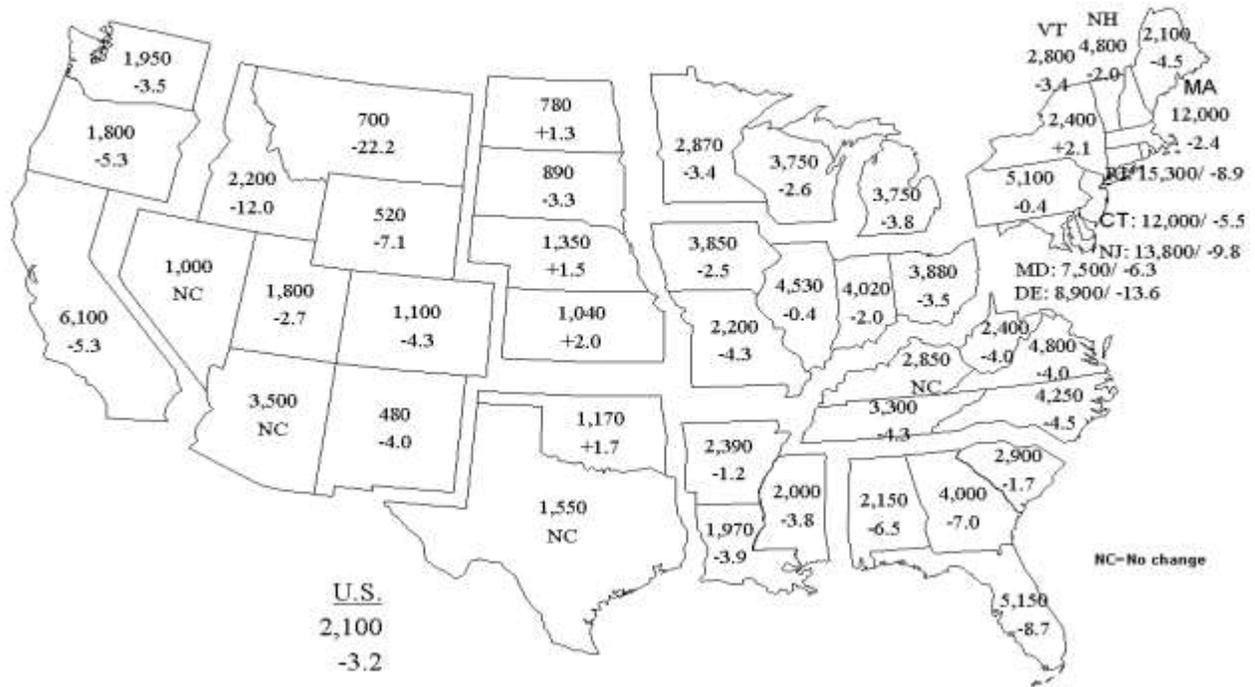
Farm Real Estate Average Value per Acre, by Region and State, January 1, 2008-2009

Region and State	All Land In Farms			Crop Land			Pasture and Range		
	2008	2009	Change 2008-2009	2008	2009	Change 2008-2009	2008	2009	Change 2008-2009
	-----Dollars-----		Percent	-----Dollars-----		Percent	-----Dollars-----		Percent
Southern Plains	1,470	1,470	---	1,390	1,380	-0.7	1,340	1,300	-3.0
OK	1,150	1,170	1.7	1,110	1,130	1.8	1,000	1,010	1.0
TX	1,550	1,550	---	1,500	1,480	-1.3	1,400	1,360	-2.9
Mountain	1,030	922	-10.5	1,670	1,600	-4.2	617	517	-16.2
AZ ^{1/}	3,500	3,500	---	11,500	10,000	-13.0	950	900	-5.3
CO	1,150	1,100	-4.3	1,310	1,300	-0.8	710	670	-5.6
NM ^{1/}	500	480	-4.0	1,630	1,810	11.0	310	280	-9.7
UT ^{1/}	1,850	1,800	-2.7	2,700	2,810	4.1	940	870	-7.4
48 States ^{2/}	2,170	2,100	-3.2	2,760	2,650	-4.0	1,090	1,070	-1.8

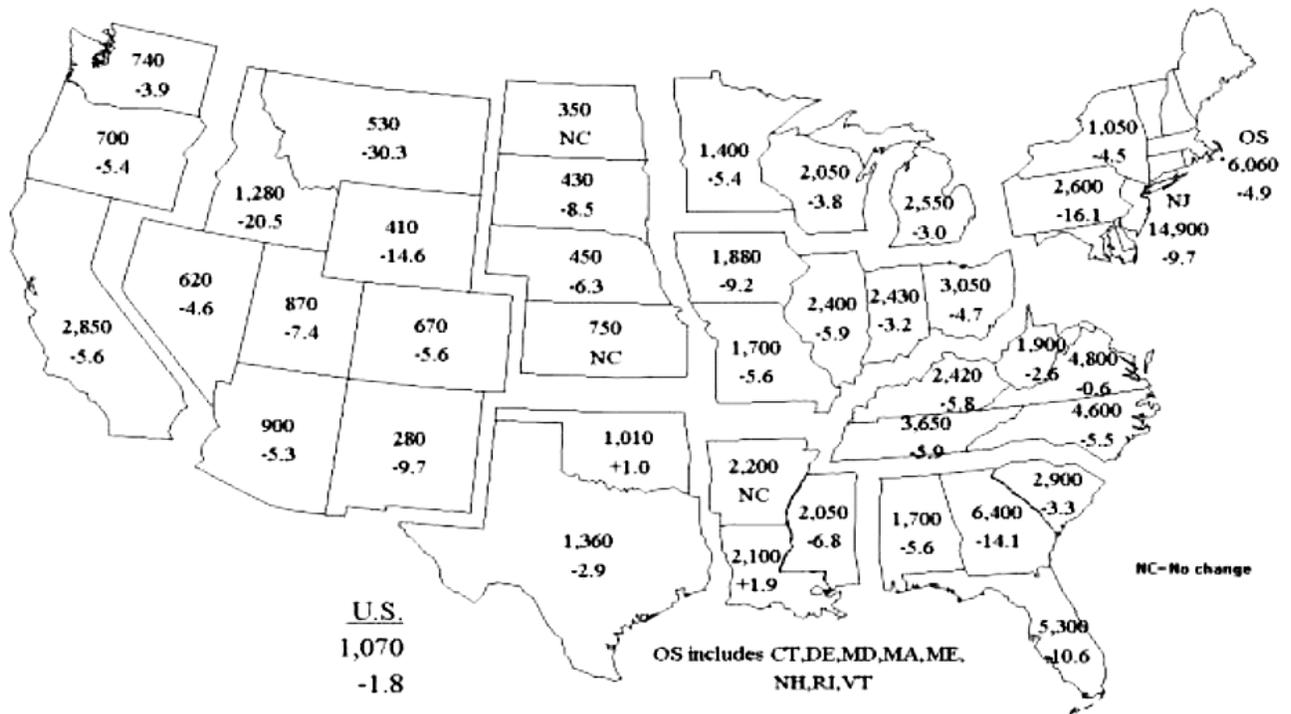
^{1/} Excludes American Indian Reservation Land. ^{2/} Excludes Alaska and Hawaii.

See map on next page.

2009 Farm Real Estate Value by State
 Dollars per Acre & Percent Change from 2008



2009 Pasture Value by State
 Dollars per Acre & Percent Change from 2008



CROP PRODUCTION

NEW MEXICO: Upland cotton is expected to yield 1,029 pounds per acre, a 6% increase over last year's estimated yield of 974 pounds per acre. Producers expect to harvest 28,000 acres. American-Pima cotton yields are expected to come in at 789 pounds per acre, slightly higher than last year's estimate of 758 pounds per acre with 1,400 acres expected to be harvested. Sorghum for grain production is forecast at 2.5 million bushels with yields averaging 41.0 bushels per acre compared to 43.0 bushels per acre in 2008. Harvested sorghum acreage is expected to be 61,000 acres. Peanut production is forecasted to reach 22.4 million pounds, down 14% from the 2008 yield of 25.6 million pounds with 7,000 acres expected to be harvested. Dry edible bean production is expected to reach 276,000 pounds, 29% above the 2008 production of 214,000 pounds. Harvested acreage is expected to be 12,000 acres.

UNITED STATES: Soybean production is forecast at a record high 3.20 billion bushels, up 8 percent from last year. All cotton production is forecast at 13.2 million 480-pound bales, up 3 percent from last year's 12.8 million bales. Upland cotton production is forecast at 12.8 million 480-pound bales, 4 percent above 2008. American-Pima production is forecast at 367,000 bales, down 15 percent from last year. Sorghum production is forecast at 381 million bushels, down 19 percent from last year. Peanut production is forecast at 3.53 billion pounds, down 32 percent from last year and down 4 percent from 2007. U.S. dry edible bean production is forecast at 24.4 million cwt for 2009, down 5 percent from last year and 2007. Alfalfa production forecast is at 73.0 million tons, up 5 percent from last year.

August 2009 Crop Summary: Area Harvested, Yield, and Production, 2008 and Forecasted August 1, 2009

Crop	Unit	Area Harvested		Yield Per Acre		Production	
		2008	2009	2008	2009	2008	2009
		-----1,000 Acres-----		-----Units-----		-----1,000 Units-----	
NEW MEXICO							
All Cotton ^{1/2/}	Lb.	36.9	29.4	963	1,017	74.0	62.3
Upland Cotton ^{1/2/}	Lb.	35.0	28.0	974	1,029	71.0	60.0
A-P Cotton ^{1/2/}	Lb.	1.9	1.4	758	789	3.0	2.3
Hay (Alfalfa)	Tn.	250	240	5.20	5.20	1,300	1,248
Sorghum for Grain	Bu.	80	61	43.0	41.0	3,440	2,501
Peanuts	Lb.	8	7	3,200	3,200	25,600	22,400
Dry Edible Beans	Lb.	9.3	12.0	2,300	2,300	214	276
UNITED STATES							
All Cotton ^{1/2/}	Lb.	7,568.7	7,765.2	813	816	12,815.3	13,207.0
Upland Cotton ^{1/2/}	Lb.	7,400.0	7,619.0	803	809	12,384.5	12,840.0
A-P Cotton ^{1/2/}	Lb.	168.7	146.2	1,226	1,205	430.8	367.0
Hay (Alfalfa)	Tn.	20,980	20,982	3.32	3.48	69,620	72,986
Sorghum for Grain	Bu.	7,271	5,948	65.0	64.0	472,342	380,537
Soybeans	Bu.	74,641	76,767	39.6	41.7	2,959,174	3,199,172
Peanuts	Lb.	1,507	1,068	3,416	3,301	5,147,900	3,525,800
Dry Edible Beans	Lb.	1,445.2	1,392.0	1,768	1,750	25,558	24,359

^{1/} Production ginned and to be ginned. ^{2/} Yield reported in pounds per acre; production in bales (480 lb. net wt.).

Rise of U.S. Farm Production Expenditures Slows in 2008 Fertilizer Prices and Weather Impact Farm Production Expenditures

U.S. Farm Production Expenditures^{1/} totaled \$307 billion in 2008 and \$284 billion for the revised 2007 crop year. The 2008 Total Farm Expenditures rose 8.3 percent compared to the 2007 rise of 19.2 percent over 2006. The 2007 revised estimate is up from the preliminary estimate by \$23.5 billion due to significant summary adjustments based on 2007 Census farm numbers.

The largest percentage contributors to the year over year increase were Other Farm Machinery, up 34.1 percent; Tractors & Self Propelled Machinery, up 32.6 percent; Fertilizer, Lime, and Soil Conditioners, up 27.1 percent; Seeds & Plants, up 19.8 percent; Fuels, up 18.5 percent; and Rent, up 13.7 percent. Expense items showing decreases from the previous year included Interest and Livestock & Poultry.

Rising **fertilizer** prices and weather were two large factors affecting farm production expenditures, during the year. Fertilizer, up 27.1 percent over previous year, was the fastest expanding non-capital expense. The increased cost of crude oil continued to drive up the cost of several production inputs in 2008. This directly translated into rising fuel cost, and influenced fertilizer products, chemicals, and transportation costs. Persistent snow and rain in the Midwest in the spring set the stage for historic flooding in Iowa in June. This contrasted with driest March - May in California in 114 years.

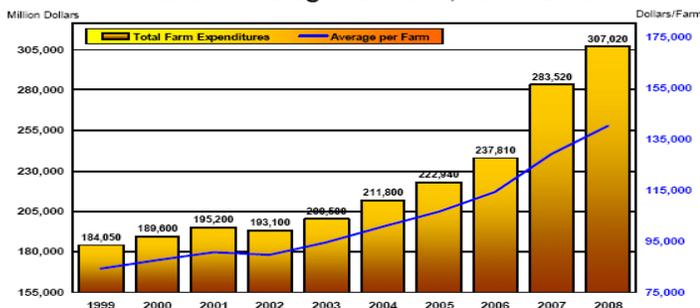
The top three average expenditures per farm with the largest dollar increase were: **Feed** up \$2,325, or 12.2 percent; **Fertilizer, Lime, and Soil Conditioners** up \$2,208, or 27.4 percent; Tractors and Self Propelled **Machinery** up \$1,286, or 32.8 percent; and **Rent** up \$1252, up 14 percent. All other per farm average increases were less than \$1,200 dollars per farm.

Total **Fuels** Expense, at \$16.0 billion dollars, was up 18.5 percent in 2008. **Diesel**, the largest sub-component, was \$9.86 billion accounting for 61.6 percent of the Fuels Expense. **Gasoline** was \$3.01 billion, up 7.9 percent. **LP Gas** was \$2.03 billion, up 23.0 percent. Other Fuels was \$1.10 billion, up 27.9 percent.

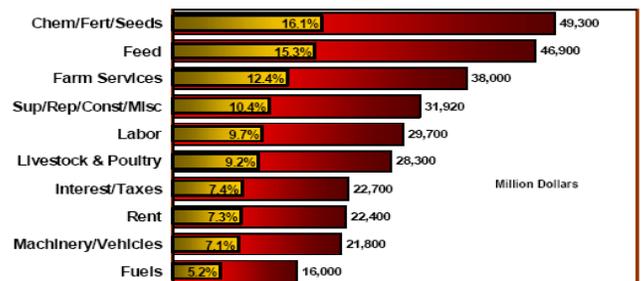
The four largest expenditures at the U.S. level totaled \$143 billion and accounted for 46.5 percent of Total Farm Production Expenditures in 2008. They were **Feed**, 15.3 percent; **Farm Services**, 12.4 percent; **Labor**, 9.7 percent; and **Livestock & Poultry**, 9.2 percent.

In 2008, the **average per farm** U.S. Total Farm Expenditure was \$140,075 compared with \$129,062, an increase of 8.5 percent over 2007. On average, U.S. farm operations spent: \$21,398 on Feed, \$17,337 on Farm Services, \$13,550 on Labor, \$12,912 on Livestock and Poultry Purchases, \$10,265 on Fertilizer, Lime, and Soil Conditioners, and \$10,220 on Rent.

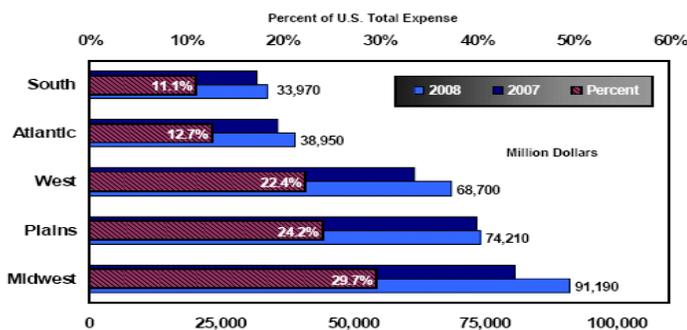
**U.S. Farm Production Expenditures
Total and Average Per Farm, 1999 - 2008**



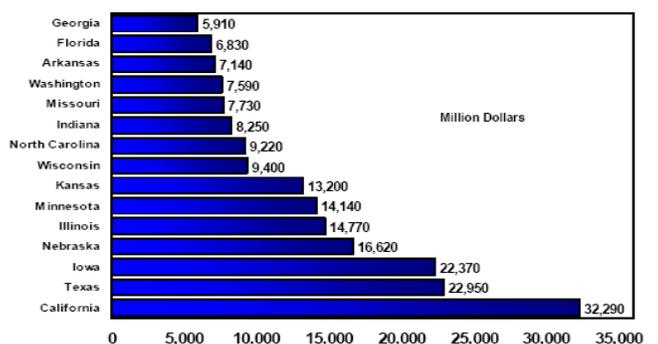
**U.S. Farm Production Expenditures
By Input Items, Expense, Percent of Total
United States, 2008**



**U.S. Farm Production Expenditures
By Farm Production Regions, 2007 - 2008**



**U.S. Farm Production Expenditures
By Leading Cash Receipts State, 2008**





WEEKLY CROP & WEATHER

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USDA/NASS NEW MEXICO FIELD OFFICE

Issue 2009 08 31 CW

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Crop Weather

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CROP SUMMARY FOR THE WEEK ENDING AUGUST 30, 2009

NEW MEXICO: Alfalfa conditions were mostly good with 83 percent of the fourth cutting complete and 37 percent of the fifth cutting completed. Cotton conditions ranged from fair to excellent with 79 percent setting bolls and 21 percent bolls opening. Corn conditions were mostly good with 86 percent dough, 45 percent dent and 5 percent mature. Irrigated sorghum conditions were mostly good with 100 percent headed and 30 percent coloring. Dry sorghum conditions ranged from poor to good with 85 percent headed and 8 percent coloring. Peanut conditions were mostly fair with 83 percent pegging. Lettuce was 30 percent planted. Chile conditions ranged from fair to excellent with 9 percent light pod set, 46 percent average pod set, 45 percent heavy pod set, and 71 percent of the green chile harvested.

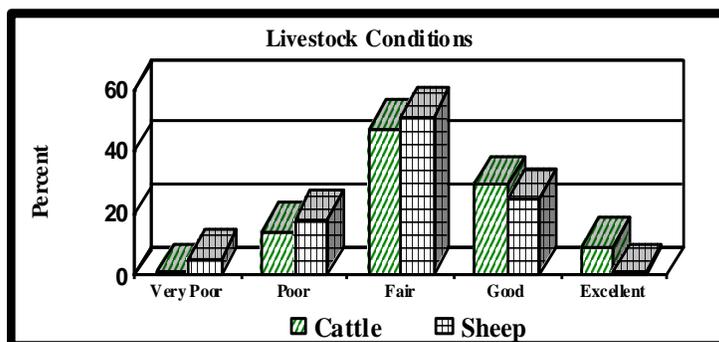
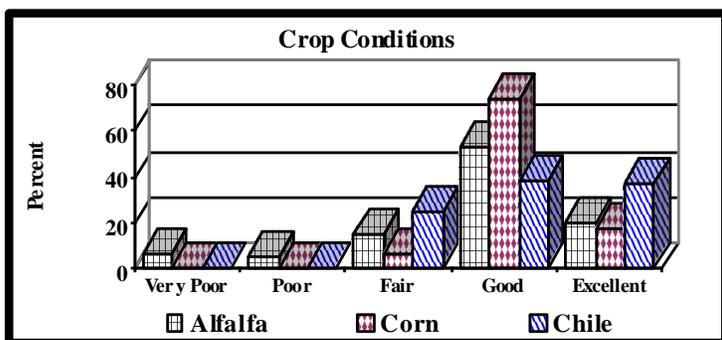
Pecan conditions were mostly good to excellent with 14 percent light nut set, 54 percent average nut set and 32 percent heavy nut set. Cattle conditions were mostly fair to good. Sheep conditions were mostly fair. Range and pasture conditions were mostly fair to poor. There were 6.5 days suitable for fieldwork. Topsoil moisture was 26 percent very short, 45 percent short and 29 percent adequate. Wind damage was 2 percent light. Hail damage was 1 percent light, affecting 4 percent of the total cotton crop, 3 percent of the total corn crop, 3 percent of the total sorghum crop, and 1% of the total peanut crop.

CROP PROGRESS PERCENTAGES WITH COMPARISONS

Crop	Stage	This Week	Last Week	Last Year	5-Year Average
Alfalfa	4 th Cutting	83	74	82	87
Alfalfa	5 th Cutting	37	36	26	39
Chile green	Harvested	71	70	68	56
Cotton	Set Bolls	79	76	94	97
Cotton	Open Bolls	21	14	6	15
Corn	Dough	86	68	83	90
Corn	Dent	45	23	44	54
Corn	Mature	5	---	---	17
Lettuce	Planted	30	---	94	87
Peanuts	Pegging	83	80	94	99
Sorghum	Headed	90	75	80	67

CROP AND LIVESTOCK CONDITION PERCENTAGES

	Very Poor	Poor	Fair	Good	Excellent
Alfalfa	7	5	15	53	20
Chile	---	---	25	38	37
Cotton	---	10	29	37	24
Corn	---	1	7	74	18
Peanuts	---	---	65	36	---
Pecans	---	---	19	46	35
Sorghum	7	24	10	57	2
Cattle	1	14	47	29	9
Sheep	5	18	51	25	1
Range/Pasture	11	28	42	17	2



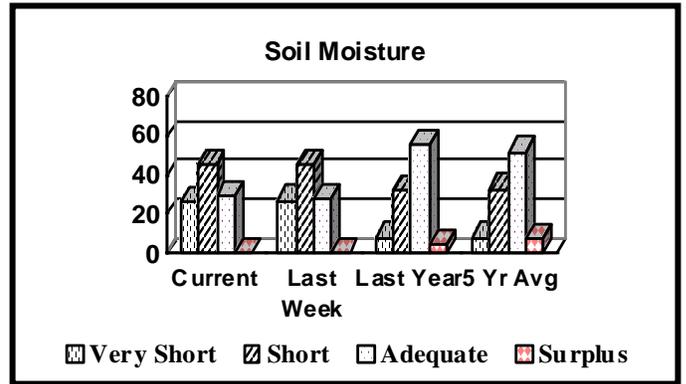
County Reporter Comments:

Taos farmers were completing the second cut on hay. Cattle were being moved from summer pastures to fall pastures. **Guadalupe** finally received some rain this week. Santa Rosa received 2/10 of an inch of rain, some areas received more. Many areas are still hauling water. Ranchers have eased up on supplemental feeding. Some farmers were working on pipelines and conservation projects. Gardens and farms were producing very well. Irrigating and picking crops and baling hay have kept farmers busy. **Quay** did not receive rainfall this week. Very scattered and trace amounts of precipitation. High heat and wind have been detrimental to

range and crops. Soil moisture was very low and some perennial plants were showing signs of death loss. **Torrance** much needed moisture this past week. **Catron /Socorro** have received some rain, rangeland remains parched and relatively non-productive with the growing season now getting short. Farmers were busy with hay and chile harvest. **Doña Ana** conditions have been good with some rains around the area. **Lea** farmers were chopping corn silage. They received a few showers, south of the county. **Otero** pistachios are being harvested. The crop is plentiful and the nuts high quality.

SOIL MOISTURE PERCENTAGES

	Very Short	Short	Adequate	Surplus
Northwest	20	46	34	---
Northeast	20	46	34	---
Southwest	70	30	---	---
Southeast	11	51	37	1
State Current	26	45	29	---
State-Last Week	27	45	28	---
State-Last Year	8	32	55	5
State-5-Yr Avg.	8	33	52	7



WEATHER SUMMARY

Average temperatures this week were mostly below normal or close to normal for this time of year. The west side of the state saw average temperatures 0-5 degrees above normal. The east side of the state had average temperatures 1-2 degrees above normal. The central part of the state had temperatures 1-6 degrees

below normal. Many areas of the state saw scattered showers throughout the week, rainfall amounts ranged from over an inch at Raton, Des Moines, and Quemado, to a few tenths of an inch in Albuquerque, Gran Quivira, and Moriarty.

NEW MEXICO WEATHER CONDITIONS – AUGUST 24 - 30, 2009

Station	Temperature			Precipitation				
	Mean	Maximum	Minimum	Week	Month	Accum.	Normal	Normal
				24 Aug 30 Aug	01 Aug 30 Aug	01 Jan- 30 Aug	Aug	Jan-Aug
Northwest								
Albuquerque	69.0	86	53	0.15	0.92	3.56	1.64	6.06
Chama	57.9	81	37	0.55	0.97	10.97	2.82	13.90
Farmington	73.1	94	53	0.02	0.29	3.19	1.05	5.36
Gallup	69.4	88	50	0.00	0.11	4.53	2.26	8.36
Grants	67.4	95	45	0.23	1.09	7.42	2.16	6.95
Johnson Ranch	64.6	87	42	0.00	0.00	2.10	2.29	7.72
Los Alamos	59.0	67	51	0.11	0.43	7.08	3.52	13.18
Red River	0.0	0	0	0.00	0.00	0.00	3.10	15.03
Santa Fe	64.4	87	45	0.59	1.06	6.46	2.39	10.03
Northeast								
Capulin	65.3	87	45	1.14	1.75	11.69	2.56	13.08
Clayton	72.3	94	55	0.21	1.30	9.12	2.61	11.61
Clovis	75.4	94	59	0.03	1.95	5.29	3.17	12.74
Las Vegas	63.5	84	45	0.13	0.33	7.75	4.27	13.87
Moriarty	63.1	88	42	0.42	1.22	5.40	2.69	9.06
Raton	68.4	88	49	1.15	1.74	6.99	3.21	13.03
Roy	68.8	89	50	0.25	0.42	5.90	2.81	11.84
Tucumcari	75.4	98	56	0.90	1.39	7.57	2.41	10.98
Southwest								
Animas	75.3	94	58	0.35	0.73	3.19	2.34	7.08
Deming	77.2	97	57	0.21	0.52	4.53	2.05	6.48
Gran Quivira	66.4	89	46	0.34	0.53	7.50	3.27	10.79
Quemado	66.2	85	45	1.07	1.18	4.10	3.12	9.68
Socorro	0.0	0	0	0.00	0.00	1.17	1.90	5.84
T or C	73.8	92	56	0.23	0.57	4.67	2.15	6.59
Southeast								
Alamogordo	75.5	94	57	0.14	2.28	8.88	2.41	7.92
Carlsbad	80.3	97	61	0.07	0.07	6.86	2.25	7.99
Carrizozo	68.9	86	53	0.04	0.55	3.39	2.69	8.24
Las Cruces	76.9	95	62	0.29	0.98	3.01	2.29	5.92
Roswell	74.4	95	56	0.09	0.50	5.75	2.03	8.77
Ruidoso	63.4	81	43	0.18	2.06	12.88	4.04	15.03
Tatum	76.1	96	55	0.01	0.01	11.58	2.48	11.17

(T) Trace (-) No Report (*) Correction - All reports based on preliminary data. Precipitation data corrected monthly from official.

AGRICULTURAL PRICES RECEIVED

NEW MEXICO: Alfalfa hay prices for August averaged \$144.00 per ton, while All Hay prices averaged \$142.00 per ton. Both Alfalfa and All Hay prices had decreases of \$6.00 from the previous month. Cow prices increased by \$2.00 from the July price of \$48.50 per hundredweight to \$50.50 per hundredweight. Steer and heifer prices for August remained

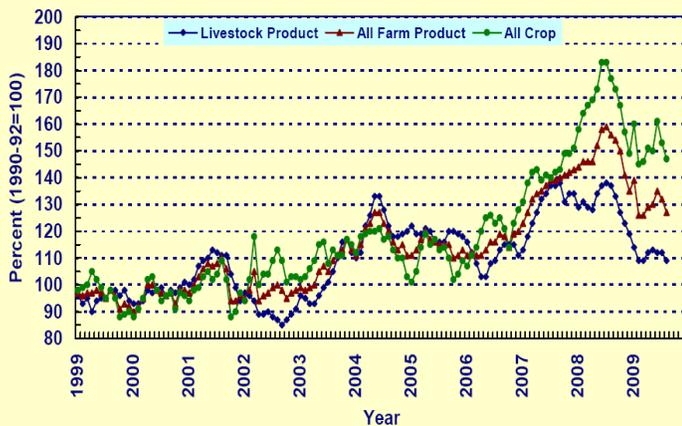
stable from the July price, at \$89.50 per hundredweight. Calf prices increased to \$104.00 per hundredweight from the previous month's price of \$102.00 per hundredweight. The August monthly milk price increased by \$0.30 to \$10.80 per hundredweight from the July price of \$10.50.

Prices Received by Farmers: Selected Commodities, July 2009 and August 2008-2009

Commodity	Unit	New Mexico			U.S. ^{1/}
		August 2008 ^{2/}	July 2009 ^{2/}	August 2009 ^{1/}	August
-----Dollars-----					
CROPS					
Grain Sorghum	Cwt.	-	-	-	5.37
Cotton, Upland	Lb.	-	-	-	0.484
Potatoes	Cwt.	-	-	-	9.90
Hay, all baled	Ton	186.00	148.00	142.00	109.00
Alfalfa, baled	Ton	189.00	150.00	144.00	111.00
Peanuts	Lb.	-	-	-	0.233
Corn	Bu.	-	-	-	3.31
Wheat, all	Bu.	-	-	-	4.72
LIVESTOCK					
Sheep ^{3/}	Cwt.	-	-	-	29.50
Lambs ^{3/}	Cwt.	-	-	-	101.00
Cows	Cwt.	60.70	48.50	50.50	46.70
Steers & Heifers	Cwt.	102.00	89.50	89.50	84.60
Calves	Cwt.	120.00	102.00	104.00	110.00
Milk	Cwt.	18.60	10.50	10.80	11.80

^{1/} Mid-month ^{2/} Entire month ^{3/} July - entire month

Prices Received, Major Indexes, US



Prices Paid by Farmers, Indexes, Selected Production Indexes US, by Non-Farm Sector



QUARTERLY FARM LABOR

NEW MEXICO-ARIZONA: There were 18,000 hired workers on farms and ranches in New Mexico and Arizona during the week of July 12-18, 2009, down 10 percent from a year ago. Average hours worked by all hired workers increased to 45.4 hours a week compared to 42.0 hours last year. Wage rates for field workers were up 88 cents to \$10.09 an hour from the previous July's \$9.21 an hour. Livestock worker wages were down 50 cents to \$10.94 an hour from \$11.44 in July 2007. Overall, average wage rates for all hired agricultural workers rose to \$11.19 an hour.

UNITED STATES: There were 1,238,000 hired workers on the Nation's farms and ranches during the week of July 12-18, 2009, up 6 percent from a year ago. Of these hired workers, 875,000 workers were hired directly by farm operators. Agricultural service employees on farms and ranches made up the remaining 363,000 workers. Farm operators paid their hired workers an average wage of \$10.64 per hour during the July 2009 reference week, up 30 cents from a year earlier. Field workers received an

average of \$10.04 per hour, up 38 cents from last July, while livestock workers earned \$10.03 per hour compared with \$9.98 a year earlier. The field and livestock worker combined wage rate, at \$10.04 per hour, was up 30 cents from last year. The number of hours worked averaged 39.8 hours for hired workers during the survey week, down 2 percent from a year ago.

Hired worker wage rates were generally above a year ago in most regions. The largest increases occurred in the Pacific, Corn Belt II (Iowa and Missouri), and Mountain III (Arizona and New Mexico) regions, and in Florida. The higher wages in the Pacific region were due to strong demand for highly skilled workers on fruit operations. In the Corn Belt II region and in Florida, there were more salaried workers working fewer hours. This pushed the average wage higher. In the Mountain III region, a higher percentage of nursery and greenhouse workers caused the average wage to increase.

Workers on Farms, Hours Worked Per Week, and Wage Rates for All Hired Workers, Selected Regions and U.S., July 2008-2009 ^{1/}

	Mountain II ^{2/}		Mountain III ^{3/}		Southern Plains ^{4/}		United States ^{5/}	
	Jul 6-12 2008	Jul 12-18 2009	Jul 6-12 2008	Jul 12-18 2009	Jul 6-12 2008	Jul 12-18 2009	Jul 6-12 2008	Jul 12-18 2009
Workers on Farms	-----Thousands-----							
All Hired Workers	23	20	20	18	57	61	828	875
Hours Worked	-----Hours Per Week-----							
All Hired Workers	43.0	40.1	42.0	45.4	39.0	39.5	40.5	39.8
Wages By Work Type	-----Dollars Per Hour-----							
Field	10.39	10.16	9.21	10.09	8.60	8.94	9.66	10.04
Livestock	11.14	8.54	11.44	10.94	10.12	9.72	9.98	10.03
Field & Livestock	10.65	9.60	9.85	10.38	9.20	9.30	9.74	10.04
All Workers	11.00	10.21	10.55	11.19	9.80	9.88	10.34	10.64

^{1/} Excludes agricultural service workers. ^{2/} Mountain Region II consists of CO, NV & UT. ^{3/} Mountain Region III consists of AZ & NM. ^{4/} Southern Plains region consists of OK & TX. ^{5/} Excludes AK. ⁸